



Clockwise Capital Innovation ETF (TIME)

NYSE Arca, Inc.

Annual Report
August 31, 2022

Fund Adviser:
Clockwise Capital LLC
1395 Brickell Avenue, Unit 800
Miami, Florida 33131
(800) 610-6128

Management Discussion of Fund Performance (Unaudited)

Dear Investors,

2022 has been a challenging year. The good news is that companies which can continue to showcase strong resiliency in their growth prospects in spite of weakness in the general economy will lead the markets over the next few years. The difficult part, however, is that policymakers keep setting us back.

For fiscal year 2022 (since inception January 27, 2022 through August 31, 2022), Clockwise Capital Innovation ETF (“TIME”) shares were down -23.36%. Launching an innovation fund in the middle of market turmoil and immediately preceding a war was not opportune for this period. However, we remain not only optimistic, but upbeat about intermediate and longer-term prospects, as our investment thesis was validated with each company's quarterly results.

Our thesis is simple. The world is moving to the cloud, full stop. TIME provides investors access to a portfolio of disruptive technology companies leading entire industries to a cloud-based future. Society is currently facing a push-pull between legacy companies clinging to the past and emergent ones carving out the future.

The cloud transcends all of it as data transforms from static to fluid, productivity is enhanced, and leaps in automation are achieved. The rollout of 5G networks only amplifies these trends. The pace of change is increasing, whether with respect to technology or the equity markets as a whole. This speed of change can prove challenging for individual investors in making security selections. We seek to do the heavy lifting and curate a portfolio of companies both leading the charge to a cloud-based future, or benefiting from the change.

We believe the essential purpose of technology is to save people time. Saving time can be defined as an increase in output per hour worked or lived. As major technology cycles can take decades to unfold, we think in terms of years not months. Our differentiated research and proprietary modeling helps to select the best companies for navigating the transition from legacy to new market leadership.

Moreover, we believe a concentrated portfolio of 15-20 companies provides the best opportunity for long-term capital appreciation. At scale, TIME incorporates an options overlay to the underlying holdings with a covered call strategy to smooth out returns over time.

During fiscal year 2022, our top performers contributing to this strategy were Palo Alto Networks, CrowdStrike, and Tesla. Meanwhile, Twilio, Okta, and Membership Collective Group served as the laggards given the compression in market multiples, primarily due to the war and changes to Federal Reserve (the “Fed”) policy. Throughout the course of the fiscal year, we actively shifted the portfolio construction and weightings to lower duration, hedged and raised cash balances.

Management Discussion of Fund Performance (Unaudited) (continued)

Consider the Federal Reserve, one year ago, Jerome Powell insisted inflation was transitory. They seemed to understand that COVID lockdowns had significantly disrupted global supply chains. In large part, prices were rising (in combination with the stimulus) and given time it would eventually pass.

Forward one year, the Fed has turned 180 degrees and now sees the supply chain and labor issues as something higher interest rates can correct. Meanwhile, the real time data indicates that the Fed's past interest rate increases are having significantly negative consequences. Nothing is certain, but it's fair to say the risk of a recession has increased.

Where things stand today is the general economy is essentially at the mercy of one person, Fed Chair Jay Powell. Looking at general economic metrics, unemployment remains at record lows and new job openings at highs, all while savings rates are relatively steady. In contrast with other recessions we've faced, like the 2008 financial crisis, there is no primary bubble to point to in the market. If a recession does occur, it will be blamed on Fed interest rate policy.

A Fed induced recession can be perceived as quite bullish. Without an asset bubble to blame, any change in Fed policy to lower rates should send stocks, particularly growth investments, to recover sharply. The best companies in the world are now trading at cheaper valuations than during the peak of COVID. People are so concerned about the Fed that valuations are below where they were when the world shut down.

Powell has a history of reversing course. In 2018, he did just that leading to an excellent year for equity portfolios in 2019. What this means is that it's important to keep a long-term perspective and not miss the turn. At the same time, however, the unknown as to the timing of when Powell will change his tune calls for increased protection to portfolios. This is exactly what we are planning to do.

The most important thing is to protect the short term and ensure we maintain sufficient exposure to the long-term opportunity. That's our strategy.

Timing when the equity market will bottom is impossible, but owning the highest quality companies that have great growth prospects is a tried-and-true strategy. Nothing is going to stop the desire of companies and society to become more efficient and secure. Concurrently, consumer behavior will continue to change as new platforms enable time savings.

In combination with these investments, we plan to take advantage of any near-term temporary rallies to increase cash balances and add on hedges to manage risk.

The companies we own have for the most part performed admirably. That said, we plan to take advantage of near-term chopiness if the Fed doesn't reverse course.

Management Discussion of Fund Performance (Unaudited) (continued)

The silver lining to all of this is that despite all the market noise, the companies representing our thesis continue to prosper and show a remarkable ability to scale. Many of these companies are poised to become several orders of magnitude larger than they are today.

On the other side of this, the future remains bright. At the end of the day, time savings wins.

Investment Results (Unaudited)

Total Returns* as of August 31, 2022

| | <u>Since Inception (1/27/2022)</u> |
|---|--|
| Clockwise Capital Innovation ETF - NAV | (23.48)% |
| Clockwise Capital Innovation ETF - Market Price | (23.36)% |
| S&P MidCap 400® Index ^(a) | (2.97)% |

Total annual operating expenses, as disclosed in the Clockwise Capital Innovation ETF's (the "Fund") prospectus dated December 22, 2021, as supplemented on May 21, 2022 and June 17, 2022, were 0.95% of average daily net assets. Pursuant to its Investment Advisory Agreement, Clockwise Capital LLC (the "Adviser") is required to pay all other expenses of the Fund (other than taxes and governmental fees, brokerage fees, commissions and other transaction expenses, certain foreign custodial fees and expenses, costs of borrowing money, including interest expenses, and extraordinary expenses (such as litigation and indemnification expenses)). Additional information pertaining to the Fund's expense ratio as of August 31, 2022 can be found in the financial highlights.

The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect the deduction of taxes that a shareholder would pay on the Fund distributions or the redemption of the Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Performance data current to the most recent month end may be obtained by calling (800) 610-6128. The Fund's per share net asset value ("NAV") is the value of one share of the Fund as calculated in accordance with the standard formula for valuing shares. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The price used to calculate market return ("Market Price") is determined by using the midpoint between the highest bid and the lowest offer on the primary stock exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. Market Price and NAV returns assume that dividends and capital gain distributions have been reinvested in the Fund at Market Price and NAV, respectively. Since exchange-traded funds are bought and sold at prices set by the market, which can result in a premium or discount to NAV, the returns calculated using Market Price can differ from those calculated using NAV. For more information about current performance, holdings or historical premiums/discounts, please visit the Fund's website at <https://clockwisefunds.com>.

* Return figures reflect any change in price per share and assume the reinvestment of all distributions. Total returns for less than one year are not annualized.

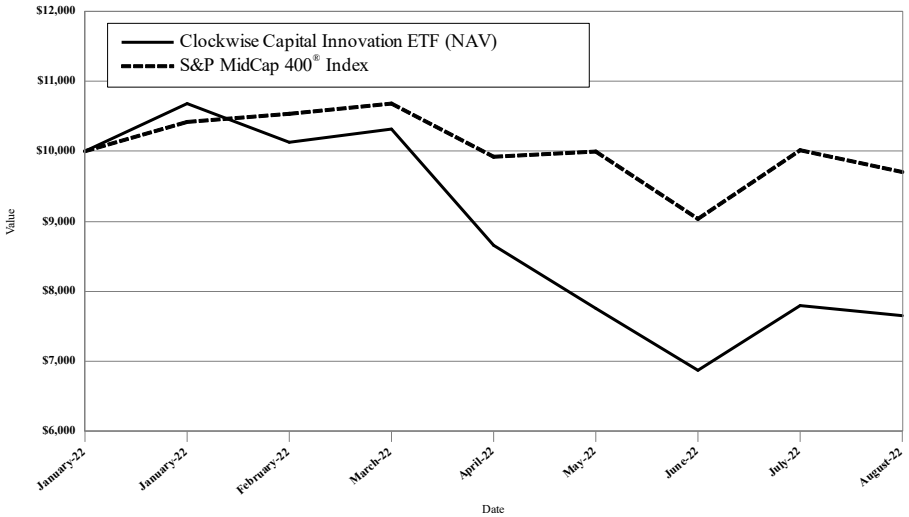
(a) The S&P MidCap 400® Index is widely recognized unmanaged index consisting of mid-sized U.S. companies. Index returns do not reflect the deduction of expenses, which have been deducted from the Fund's returns. Index returns assume reinvestment of all distributions and do not reflect the deduction of taxes and fees. Individuals cannot invest directly in an index.

The Fund's investment objectives, strategies, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund and may be obtained by calling (800) 610-6128. Please read it carefully before investing.

The Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC

Investment Results (Unaudited) (continued)

Comparison of the Growth of a \$10,000 Investment in the Clockwise Capital Innovation ETF (NAV) and the S&P MidCap 400® Index (Unaudited)



The graph shows the value of a hypothetical initial investment of \$10,000 made on January 27, 2022 (commencement of operations) and held through August 31, 2022.

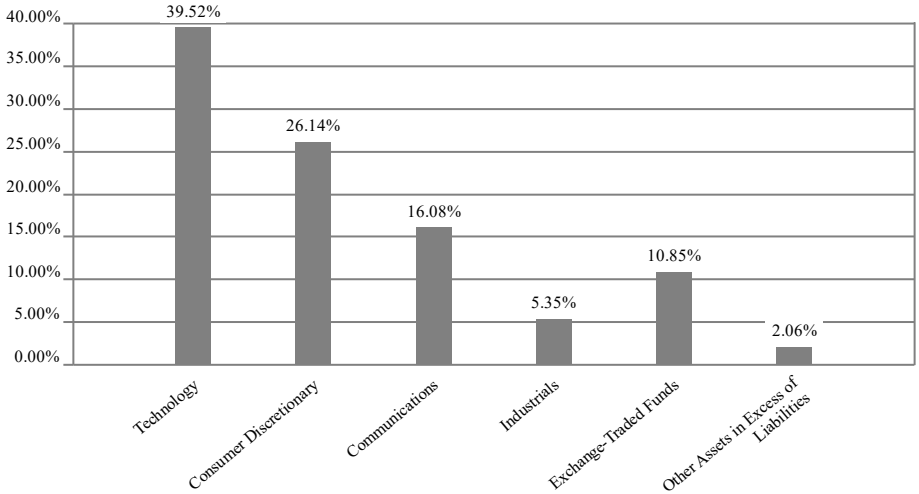
The S&P MidCap 400® Index is widely recognized unmanaged index consisting of mid-sized U.S. companies. Index returns do not reflect the deduction of expenses, which have been deducted from the Fund's returns. Index returns assume reinvestment of all distributions and do not reflect the deduction of taxes and fees. Individuals cannot invest directly in an index. **THE FUND'S RETURNS REPRESENT PAST PERFORMANCE AND DO NOT GUARANTEE FUTURE RESULTS.** The returns shown do not reflect deduction of taxes that a shareholder would pay on the Fund shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original purchase price.

Current performance may be lower or higher than the performance data quoted. For more information on the Fund, and to obtain performance data current to the most recent month-end, or to request a prospectus, please call (800) 610-6128. You should carefully consider the investment objectives, potential risks, management fees, and charges and expenses of the Fund before investing. The Fund's prospectus contains this and other information about the Fund and should be read carefully before investing.

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Fund Holdings (Unaudited)

Clockwise Capital Innovation ETF Holdings as of August 31, 2022.*



* As a percentage of net assets.

The investment objective of the Fund is long-term growth of capital.

Portfolio holdings are subject to change.

Availability of Portfolio Schedule (Unaudited)

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the “SEC”) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund’s Form N-PORT reports are available on the SEC’s website at <http://www.sec.gov> or on the Fund’s website at <https://clockwisefunds.com>.

Clockwise Capital Innovation ETF

Schedule of Investments

August 31, 2022

COMMON STOCKS — 87.09%

Communications — 16.08%

| | <u>Shares</u> | <u>Fair Value</u> |
|--|---------------|-------------------|
| Airbnb, Inc., Class A ^(a) | 2,208 | \$ 249,769 |
| Blade Air Mobility, Inc., Class A ^(a) | 6,497 | 33,525 |
| Spotify Technology SA ^(a) | 2,175 | 235,226 |
| Uber Technologies, Inc. ^(a) | 8,705 | 250,356 |
| | | <u>768,876</u> |

Consumer Discretionary — 26.14%

| | | |
|--|--------|------------------|
| Amazon.com, Inc. ^(a) | 5,253 | 665,922 |
| Best Buy Co., Inc. | 3,075 | 217,372 |
| Membership Collective Group, Inc. ^(a) | 22,242 | 126,112 |
| Tesla, Inc. ^(a) | 873 | 240,608 |
| | | <u>1,250,014</u> |

Industrials — 5.35%

| | | |
|-------------|-----|---------|
| Deere & Co. | 700 | 255,675 |
|-------------|-----|---------|

Technology — 39.52%

| | | |
|--|-------|------------------|
| Advanced Micro Devices, Inc. ^(a) | 2,208 | 187,393 |
| Apple, Inc. | 1,520 | 238,974 |
| Crowdstrike Holdings, Inc., Class A ^(a) | 1,797 | 328,151 |
| Microsoft Corp. | 892 | 233,231 |
| NVIDIA Corp. | 1,199 | 180,977 |
| Okta, Inc. ^(a) | 1,605 | 146,697 |
| Palo Alto Networks, Inc. ^(a) | 441 | 245,554 |
| Snowflake, Inc., Class A ^(a) | 1,273 | 230,349 |
| Twilio, Inc., Class A ^(a) | 1,426 | 99,221 |
| | | <u>1,890,547</u> |

Total Common Stocks (Cost \$4,819,208)

4,165,112

EXCHANGE-TRADED FUNDS — 10.85%

| | | |
|--------------------------------------|-------|----------------|
| SPDR® Bloomberg 1-3 Month T-Bill ETF | 5,666 | <u>518,722</u> |
|--------------------------------------|-------|----------------|

Total Exchange-Traded Funds (Cost \$518,279)

518,722

Total Investments— 97.94% (Cost \$5,337,487)

4,683,834

Other Assets in Excess of Liabilities — 2.06%

98,304

NET ASSETS — 100.00%

\$ 4,782,138

(a) Non-income producing security.

ETF - Exchange-Traded Fund

SPDR - Standard & Poor's Depository Receipt

Clockwise Capital Innovation ETF

Statement of Assets and Liabilities

August 31, 2022

| Assets | |
|--|---------------------|
| Investments in securities, at fair value (cost \$5,337,487) | \$ 4,683,834 |
| Cash | 197,751 |
| Dividends receivable | 553 |
| Total Assets | <u>4,882,138</u> |
| Liabilities | |
| Payable for investments purchased | 95,926 |
| Payable to Adviser | 4,074 |
| Total Liabilities | <u>100,000</u> |
| Net Assets | <u>\$ 4,782,138</u> |
| Net Assets consist of: | |
| Paid-in capital | 6,094,932 |
| Accumulated deficit | (1,312,794) |
| Net Assets | <u>\$ 4,782,138</u> |
| Shares outstanding (unlimited number of shares authorized, no par value) | <u>250,000</u> |
| Net asset value per share | <u>\$ 19.13</u> |

Clockwise Capital Innovation ETF

Statement of Operations

For the Period Ended August 31, 2022^(a)

| | |
|---|-----------------------|
| Investment Income | |
| Dividend income | \$ 10,925 |
| Total investment income | <u>10,925</u> |
| Expenses | |
| Adviser | 23,616 |
| Total operating expenses | <u>23,616</u> |
| Net investment loss | <u>(12,691)</u> |
| Net Realized and Change in Unrealized Gain (Loss) on Investments | |
| Net realized gain (loss) on: | |
| Investment securities | (633,735) |
| Change in unrealized depreciation on: | |
| Investment securities | <u>(653,653)</u> |
| Net realized and change in unrealized gain (loss) on investment securities | <u>(1,287,388)</u> |
| Net decrease in net assets resulting from operations | <u>\$ (1,300,079)</u> |

(a) For the period January 27, 2022 (commencement of operations) to August 31, 2022.

Clockwise Capital Innovation ETF

Statement of Changes in Net Assets

| | For the Period Ended August 31, 2022^(a) |
|---|---|
| Increase (Decrease) in Net Assets due to: | |
| Operations | |
| Net investment loss | \$ (12,691) |
| Net realized loss on investment securities | (633,735) |
| Change in unrealized depreciation on investment securities | (653,653) |
| Net decrease in net assets resulting from operations | <u>(1,300,079)</u> |
| Capital Transactions | |
| Proceeds from shares sold | 8,596,285 |
| Amount paid for shares redeemed | (2,514,068) |
| Net increase in net assets resulting from capital transactions | <u>6,082,217</u> |
| Total Increase in Net Assets | <u>4,782,138</u> |
| Net Assets | |
| Beginning of period | \$ — |
| End of period | <u>\$ 4,782,138</u> |
| Share Transactions | |
| Shares sold | 350,000 |
| Shares redeemed | (100,000) |
| Net increase in shares outstanding | <u>250,000</u> |

(a) For the period January 27, 2022 (commencement of operations) to August 31, 2022.

Clockwise Capital Innovation ETF

Financial Highlights

(For a share outstanding during the period)

| | For the Period Ended August 31, 2022^(a) |
|--|---|
| Selected Per Share Data: | |
| Net asset value, beginning of period | \$ 25.00 |
| Investment operations: | |
| Net investment loss | (0.05) |
| Net realized and unrealized loss on investments | <u>(5.82)</u> |
| Total from investment operations | <u>(5.87)</u> |
| Net asset value, end of period | \$ 19.13 |
| Market price, end of period | \$ 19.16 |
| Total Return^(b) | (23.48%)^(c) |
| Ratios and Supplemental Data: | |
| Net assets, end of period (000 omitted) | \$ 4,782 |
| Ratio of expenses to average net assets | 0.95% ^(d) |
| Ratio of net investment loss to average net assets | (0.51)% ^(d) |
| Portfolio turnover rate ^(e) | 54% ^(e) |

- (a) For the period January 27, 2022 (commencement of operations) to August 31, 2022.
- (b) Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of the period. Distributions are assumed, for the purpose of this calculation, to be reinvested at the ex-dividend date net asset value per share on their respective payment dates.
- (c) Not annualized.
- (d) Annualized.
- (e) Portfolio turnover rate excludes securities received or delivered from in-kind processing of creations or redemptions.

Clockwise Capital Innovation ETF

Notes to the Financial Statements

August 31, 2022

NOTE 1. ORGANIZATION

Clockwise Capital Innovation ETF (the “Fund”) is registered under the Investment Company Act of 1940, as amended (“1940 Act”), as a non-diversified series of Capitol Series Trust (the “Trust”) on December 8, 2021. The Trust is an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust dated September 18, 2013 (the “Trust Agreement”). The Trust Agreement permits the Board of Trustees of the Trust (the “Board”) to issue an unlimited number of shares of beneficial interest of separate series. The Fund is one of a series of funds currently authorized by the Board. The Fund’s investment adviser is Clockwise Capital LLC (the “Adviser”). The investment objective of the Fund is long-term growth of capital.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification (“ASC”) Topic 946, “Financial Services-Investment Companies”, including Accounting Standards Update 2013-08. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”).

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Federal Income Taxes – The Fund makes no provision for federal income or excise tax. The Fund has qualified and intends to qualify each year as a regulated investment company (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended, by complying with the requirements applicable to RICs and by distributing substantially all of its taxable income. The Fund also intends to distribute sufficient net investment income and net realized capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. If the required amount of net investment income or gains is not distributed, the Fund could incur a tax expense.

The Fund recognizes tax benefits or expenses of uncertain tax positions only when the position is “more likely than not” to be sustained assuming examination by tax authorities. Management of the Fund has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the interim tax period since inception, as applicable) and has concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements and does not expect this to

Clockwise Capital Innovation ETF

Notes to the Financial Statements (continued)

August 31, 2022

change over the next twelve months. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period, the Fund did not incur any interest or penalties.

Expenses – Expenses incurred by the Trust that do not relate to a specific fund of the Trust are allocated to the individual funds based on each fund’s relative net assets or another appropriate basis (as determined by the Board).

Security Transactions and Related Income – Throughout the reporting period, security transactions are accounted for no later than one business day following the trade date. For financial reporting purposes, security transactions are accounted for on trade date on the last business day of the reporting period. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date.

Dividends and Distributions – The Fund intends to distribute its net investment income and net realized long-term and short-term capital gains, if any, at least annually. Dividends and distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the period from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified among the components of net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset value ("NAV") per share of the Fund.

For the fiscal period ended August 31, 2022, the Fund made the following reclassifications to increase (decrease) the components of net assets:

| <u>Paid-In Capital</u> | <u>Accumulated Earnings</u> |
|------------------------|-----------------------------|
| \$12,715 | <u>(Deficit)</u> |
| | \$(12,715) |

NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS

The Fund values its portfolio securities at fair value as of the close of regular trading on the New York Stock Exchange (the “NYSE”) (normally 4:00 p.m. Eastern time) on each business day the NYSE is open for business. Fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. GAAP establishes a three-tier hierarchy to maximize the use of observable market data and minimize the

Clockwise Capital Innovation ETF

Notes to the Financial Statements (continued)

August 31, 2022

use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk (the risk inherent in a particular valuation technique used to measure fair value including a pricing model and/or the risk inherent in the inputs to the valuation technique). Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained and available from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – unadjusted quoted prices in active markets for identical investments and/or registered investment companies where the value per share is determined and published and is the basis for current transactions for identical assets or liabilities at the valuation date
- Level 2 – other significant observable inputs (including, but not limited to, quoted prices for an identical security in an inactive market, quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments based on the best information available)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy which is reported is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Equity securities that are traded on any stock exchange are generally valued at the last quoted sale price on the security's primary exchange. Lacking a last sale price, an exchange-traded security is generally valued at the mean between the most recent quoted bid and ask prices. Securities traded in the NASDAQ over-the-counter market are generally valued at the NASDAQ Official Closing Price. When using market quotations and when the market is considered active, the security is classified as a Level 1 security. In the event that market quotations are not readily available or are considered unreliable due to market or other events, the Fund values its securities and other assets at fair value in accordance with policies established by and under the general supervision of the Board. Under these

Clockwise Capital Innovation ETF

Notes to the Financial Statements (continued)

August 31, 2022

policies, the securities will be classified as Level 2 or 3 within the fair value hierarchy, depending on the inputs used.

The following is a summary of the inputs used to value the Fund's investments as of August 31, 2022:

| Assets | Valuation Inputs | | | Total |
|------------------------------|-------------------------|----------------|----------------|--------------|
| | Level 1 | Level 2 | Level 3 | |
| Common Stocks ^(a) | \$4,165,112 | \$— | \$— | \$4,165,112 |
| Exchange-Traded Funds | 518,722 | — | — | 518,722 |
| Total | \$4,683,834 | \$— | \$— | \$4,683,834 |

^(a) Refer to Schedule of Investments for sector classifications.

The Fund did not hold any investments at the end of the reporting period for which significant unobservable inputs (Level 3) were used in determining fair value; therefore, no reconciliation of Level 3 securities is included for this reporting period.

NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES AND OTHER SERVICE PROVIDERS

The Adviser, under the terms of the investment advisory agreement with the Trust with respect to the Fund (the "Agreement"), manages the Fund's investments. As compensation for its management services, the Fund is obligated to pay the Adviser a fee computed and accrued daily and paid monthly at an annual rate of 0.95% of the Fund's average daily net assets. Pursuant to its Agreement, the Adviser is required to pay all other expenses of the Fund (other than taxes and governmental fees, brokerage fees, commissions and other transaction expenses, certain foreign custodial fees and expenses, costs of borrowing money, including interest expenses, and extraordinary expenses (such as litigation and indemnification expenses) so that total annual fund operating expenses remain at 0.95% of the Fund's average daily net assets. For the fiscal period ended August 31, 2022, the Adviser earned a fee of \$23,616 from the Fund. At August 31, 2022, the Fund owed the Adviser \$4,074 relating to the Adviser fee.

Ultimus Fund Solutions, LLC ("Ultimus") provides administration and fund accounting services to the Fund. The Adviser pays Ultimus fees in accordance with the agreements for such services.

Northern Lights Compliance Services, LLC ("NLCS"), an affiliate of Ultimus, provides a Chief Compliance Officer to the Trust, as well as related compliance services, pursuant to a consulting agreement between NLCS and the Trust. Under the terms of such agreement, NLCS receives fees from the Adviser, which are approved by the Board.

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Notes to the Financial Statements (continued)

August 31, 2022

The Board supervises the business activities of the Trust. Each Trustee serves as a Trustee for the lifetime of the Trust or until the earlier of his or her retirement as a Trustee at age 78 (which may be extended for up to two years in an emeritus non-voting capacity at the pleasure and request of the Board), or until he/she dies, resigns, or is removed, whichever is sooner. "Independent Trustees," meaning those Trustees who are not "interested persons" of the Trust, as defined in the 1940 Act, as amended, have each received an annual retainer of \$1,500 per Fund and \$500 per Fund for each quarterly Board meeting. Prior to April 1, 2022, the annual retainer was \$1,000 per Fund. In addition, each Independent Trustee may be compensated for preparation related to and participation in any special meetings of the Board and/or any Committee of the Board, with such compensation determined on a case-by-case basis based on the length and complexity of the meeting. The Adviser pays the Independent Trustees their annual retainer and quarterly Board meeting fees and also reimburses Trustees for out-of-pocket expense incurred in conjunction with attendance at Board meetings.

The officers and one trustee of the Trust are employees of Ultimus. Northern Lights Distributors, LLC (the "Distributor") acts as the principal distributor of the Fund's shares. The Distributor is an affiliate of Ultimus. The Distributor is compensated by the Adviser (not the Fund) for acting as principal underwriter.

NOTE 5. INVESTMENT TRANSACTIONS

For the fiscal period ended August 31, 2022, purchases and sales of investment securities, other than short-term investments, were \$2,971,782 and \$2,252,782, respectively.

For the fiscal period ended August 31, 2022, purchases and sales for in-kind transactions were \$7,338,366 and \$2,086,144, respectively.

For the fiscal period ended August 31, 2022, the Fund incurred net realized gains of \$25,406 on in-kind redemptions.

There were no purchases or sales of long-term U.S. government obligations during the fiscal period ended August 31, 2022.

NOTE 6. CAPITAL SHARE TRANSACTIONS

Shares are not individually redeemable and may be redeemed by the Fund at NAV only in large blocks known as "Creation Units." Shares are created and redeemed by the Fund only in Creation Unit size aggregations of 25,000 shares. Only Authorized Participants or transactions done through an Authorized Participant are permitted to purchase or redeem Creation Units from the Fund. An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a Depository Trust Company participant

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Notes to the Financial Statements (continued)

August 31, 2022

and, in each case, must have executed a Participant Agreement with the Distributor. Such transactions are generally permitted on an in-kind basis, with a balancing cash component to equate the transaction to the NAV per share of the Fund on the transaction date. Cash may be substituted equivalent to the value of certain securities generally when they are not available in sufficient quantity for delivery, not eligible for trading by the Authorized Participant or as a result of other market circumstances. In addition, the Fund may impose transaction fees on purchases and redemptions of Fund shares to cover the custodial and other costs incurred by the Fund in effecting trades. A fixed fee payable to the Custodian may be imposed on each creation and redemption transaction regardless of the number of Creation Units involved in the transaction (“Fixed Fee”). Purchases and redemptions of Creation Units for cash or involving cash-in-lieu are required to pay an additional variable charge to compensate the Fund and its ongoing shareholders for brokerage and market impact expenses relating to Creation Unit transactions (“Variable Charge,” and together with the Fixed Fee, the “Transaction Fees”). Transactions in capital shares for the Fund are disclosed in the Statement of Changes in Net Assets. For the fiscal period ended August 31, 2022, the Fund received \$1,500 and \$0 in fixed fees and variable fees, respectively. The Transaction Fees for the Fund are listed in the table below:

| Fixed Fee | Variable Charge |
|-----------|--------------------|
| \$250 | 2.00%* |

* The maximum Transaction Fee may be up to 2.00% of the amount invested.

NOTE 7. FEDERAL TAX INFORMATION

At August 31, 2022, the net unrealized appreciation (depreciation) and tax cost of investments for tax purposes was as follows:

| | |
|--|---------------------|
| Gross unrealized appreciation | \$ 3,390 |
| Gross unrealized depreciation | (695,049) |
| Net unrealized depreciation on investments | <u>\$ (691,659)</u> |
| Tax cost of investments | <u>\$ 5,375,493</u> |

At August 31, 2022, the components of accumulated earnings (deficit) on a tax basis were as follows:

| | |
|--|-----------------------|
| Accumulated capital and other losses | \$ (621,135) |
| Unrealized depreciation on investments | (691,659) |
| Total accumulated deficit | <u>\$ (1,312,794)</u> |

As of August 31, 2022, the Fund had short-term capital loss carryforwards available to offset future gains and not subject to expiration in the amount of \$621,135.

Clockwise Capital Innovation ETF

Notes to the Financial Statements (continued)

August 31, 2022

NOTE 8. CERTAIN INVESTMENTS AND ASSOCIATED RISKS

Non-Diversification Risk - The Fund is non-diversified, which means it may invest a greater percentage of its assets in a fewer number of stocks as compared to other mutual funds that are more broadly diversified. As a result, the Fund's share price may be more volatile than the share price of some other mutual funds, and the poor performance of an individual stock in the Fund's portfolio may have a significant negative impact on the Fund's performance.

Sector Risk - If the Fund has significant investments in the securities of issuers within a particular sector, any development affecting that sector will have a greater impact on the value of the net assets of the Fund than would be the case if the Fund did not have significant investments in that sector. In addition, this may increase the risk of loss in the Fund and increase the volatility of the Fund's NAV per share. For instance, economic or market factors, regulatory changes or other developments may negatively impact all companies in a particular sector, and therefore the value of the Fund's portfolio will be adversely affected. As of August 31, 2022, the Fund had 39.52% and 26.14% of the value of its net assets invested in stocks within the Technology and Consumer Discretionary sectors, respectively.

General Risk - Under the Trust Agreement, the Board has the power to liquidate the Fund without shareholder approval. While the Board has no present intent to exercise this power, they may do so if the Fund fails to reach a viable size within a reasonable amount of time or for such other reasons as may be determined by the Board.

NOTE 9. COMMITMENTS AND CONTINGENCIES

The Trust indemnifies its officers and Trustees for certain liabilities that may arise from their performance of their duties to the Trust or the Fund. Additionally, in the normal course of business, the Trust enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred.

NOTE 10. SUBSEQUENT EVENTS

Management of the Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date at which these financial statements were issued. Based upon this evaluation, management has determined there were no items requiring adjustment of the financial statements or additional disclosure.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Trustees of Clockwise Capital Innovation ETF

Opinion on the Financial Statements

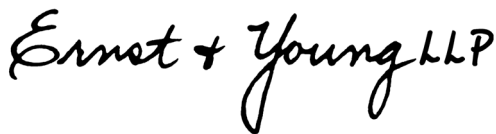
We have audited the accompanying statement of assets and liabilities of Clockwise Capital Innovation ETF (the “Fund”) (one of the funds constituting Capitol Series Trust (the “Trust”)), including the schedule of investments, as of August 31, 2022, and the related statement of operations, the statement of changes in net assets, and the financial highlights for the period from January 27, 2022 (commencement of operations) through August 31, 2022 and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the funds constituting Capitol Series Trust) at August 31, 2022, the results of its operations, the changes in its net assets, and its financial highlights for the period from January 27, 2022 (commencement of operations) through August 31, 2022, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of Trust’s internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of August 31, 2022, by correspondence with the custodian and brokers. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The image shows a handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

We have served as the auditor of one or more Capitol Series Trust investment companies since 2017.

Cincinnati, Ohio
October 25, 2022

Summary of Fund Expenses (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction and (2) ongoing costs, including management fees and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds. You may pay brokerage commissions on purchases and sales of exchange-traded fund shares, which are not reflected in the example. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from March 1, 2022 through August 31, 2022.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second line of the table below is useful in comparing ongoing costs only and will not help you determine the relative costs of owning different funds. In addition, if transaction costs were included, your costs would have been higher.

| | Beginning Account Value March 1, 2022 | Ending Account Value August 31, 2022 | Expenses Paid During Period^(a) | Annualized Expense Ratio |
|---|--|---|--|---|
| Clockwise Capital Innovation ETF | | | | |
| Actual | \$ 1,000.00 | \$ 755.50 | \$ 4.20 | 0.95% |
| Hypothetical ^(b) | \$ 1,000.00 | \$ 1,020.42 | \$ 4.83 | 0.95% |

- (a) Expenses are equal to the Fund’s annualized expense ratios, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).
- (b) Hypothetical assumes 5% annual return before expenses.

Trustees and Officers (Unaudited)

The Board supervises the business activities of the Trust and is responsible for protecting the interests of shareholders. The Chairman of the Board is Walter B. Grimm, who is an Independent Trustee of the Trust.

Officers are re-elected annually by the Board. The address of each Trustee and officer is 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246.

As of the date of this report, the Trustees oversee the operations of 14 series.

Independent Trustee Background. The following table provides information regarding the Independent Trustees.

| Name, (Age), Position with Trust, Term of Position with Trust | Principal Occupation During Past 5 Years and Other Directorships |
|---|---|
| Walter B. Grimm Birth Year: 1945 TRUSTEE AND CHAIR Began Serving: November 2013 | Principal Occupation(s): President, Leigh Management Group, LLC (consulting firm) (October 2005 to present); and President, Leigh Investments, Inc. (1988 to present) Board member, Boys & Girls Club of Coachella (2018 to present). |
| Lori Kaiser Birth Year: 1963 TRUSTEE Began Serving: July 2018 | Principal Occupation(s): Founder and CEO, Kaiser Consulting since 1992. |
| Janet Smith Meeks Birth Year: 1955 TRUSTEE Began Serving: July 2018 | Principal Occupation(s): Co-Founder and CEO, Healthcare Alignment Advisors, LLC (consulting company) since August 2015. Previous Position(s): President and Chief Operating Officer, Mount Carmel St. Ann's Hospital (2006 to 2015). |
| Mary Madick Birth Year: 1958 TRUSTEE Began Serving: November 2013 | Principal Occupation(s): President, US Health Holdings (2020 to present). Previous Position(s): President (2019 to 2020) and Chief Operating Officer (2018 to 2019), Dignity Health Managed Services Organization; Chief Operating Officer, Pennsylvania Health and Wellness (fully owned subsidiary of Centene Corporation) (2016 to 2018); Vice President, Gateway Heath (2015 to 2016). |

Trustees and Officers (Unaudited) (continued)

Interested Trustee Background. The following table provides information regarding the Interested Trustee.

| Name, (Age), Position with Trust, Term of Position with Trust | Principal Occupation During Past 5 Years and Other Directorships |
|---|--|
| David James* Birth Year: 1970 TRUSTEE Began Serving: March 2021 | Principal Occupation(s): Executive Vice President and Chief Legal and Risk Officer of Ultimus Fund Solutions, LLC (2018 to present). Previous Position(s): Managing Director and Senior Managing Counsel, State Street Bank and Trust Company (2009 to 2018). |

* Mr. James is considered an “interested person” of the Trust within the meaning of Section 2(a) (19) of the 1940 Act because of his relationship with the Trust’s administrator, transfer agent, and distributors.

Officers. The following table provides information regarding the Officers.

| Name, (Age), Position with Trust, Term of Position with Trust | Principal Occupation During Past 5 Years and Other Directorships |
|---|---|
| Matthew J. Miller Birth Year: 1976 PRESIDENT and CHIEF EXECUTIVE OFFICER Began Serving: September 2013 (as VP); September 2018 (as President) | Principal Occupation(s): Assistant Vice President, Relationship Management, Ultimus Fund Solutions, LLC (December 2015 to present). Previous Position(s): Vice President, Relationship Management, Huntington Asset Services, Inc. (n/k/a Ultimus Asset Services, LLC) (2008 to December 2015). |
| Zachary P. Richmond Birth Year: 1980 TREASURER AND CHIEF FINANCIAL OFFICER Began Serving: August 2014 | Principal Occupation(s): Vice President, Director of Financial Administration for Ultimus Fund Solutions, LLC (February 2019 to present). Previous Position(s): Assistant Vice President, Associate Director of Financial Administration for Ultimus Fund Solutions, LLC (December 2015 to February 2019). |
| Martin R. Dean Birth Year: 1963 CHIEF COMPLIANCE OFFICER Began Serving: May 2019 | Principal Occupation(s): Senior Vice President, Head of Fund Compliance, Ultimus Fund Solutions, LLC (January 2016 to present). |
| Paul F. Leone Birth Year: 1963 SECRETARY Began Serving: June 2021 | Principal Occupation(s): Vice President and Senior Counsel, Ultimus Fund Solutions, LLC (2020 to present). Previous Position(s): Managing Director, Leone Law Office, P.C. (2019 to 2020); and served in the roles of Senior Counsel - Distribution and Senior Counsel - Compliance, Empower Retirement/Great-West Life & Annuity Ins. Co. (2015 to 2019). |

Trustees and Officers (Unaudited) (continued)

Stephen Preston

Birth Year: 1966

ANTI-MONEY LAUNDERING OFFICER

Began Serving: December 2016

Principal Occupation(s): Chief Compliance Officer,
Ultimus Fund Distributors, LLC (June 2011 to present).

Previous Position(s): Chief Compliance Officer, Ultimus
Fund Solutions, LLC (June 2011 to August 2019).

Other Information (Unaudited)

The Fund's Statement of Additional Information ("SAI") includes additional information about the trustees and is available without charge, upon request. You may call toll-free at (800) 610-6128 to request a copy of the SAI or to make shareholder inquiries.

Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted those proxies during the most recent twelve month period ended June 30, are available (1) without charge upon request by calling the Fund at (800) 610-6128 and (2) in Fund documents filed with the SEC on the SEC's website at www.sec.gov.

TRUSTEES

Walter B. Grimm, Chairman
David James
Lori Kaiser
Janet Smith Meeks
Mary Madick

INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM
Ernst & Young LLP
221 East 4th Street, Suite 2900
Cincinnati, OH 45202

OFFICERS

Matthew J. Miller, Chief Executive Officer and President
Zachary P. Richmond, Chief Financial Officer and Treasurer
Martin R. Dean, Chief Compliance Officer
Paul F. Leone, Secretary

LEGAL COUNSEL

Practus, LLP
11300 Tomahawk Creek Parkway, Suite 310
Leawood, KS 66211

INVESTMENT ADVISER

Clockwise Capital LLC
1395 Brickell Ave, Unit 800
Miami, FL 33131

CUSTODIAN AND TRANSFER AGENT

Brown Brothers Harriman & Co.
50 Post Office Square
Boston, MA 02110

DISTRIBUTOR

Northern Lights Distributors, LLC
4221 North 203rd Street, Suite 100
Elkhorn, NE 68022

ADMINISTRATOR AND FUND

ACCOUNTANT
Ultimus Fund Solutions, LLC
225 Pictoria Drive, Suite 450
Cincinnati, OH 45246

This report is intended only for the information of shareholders or those who have received the Fund's prospectus which contains information about the Fund's management fee and expenses. Please read the prospectus carefully before investing.

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